GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4976
ANSWERED ON:31.03.2017
Watal Committee and NPCI
Satpathy Shri Tathagata

Will the Minister of FINANCE be pleased to state:

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA

UNSTARRED QUESTION NO.4976

TO BE ANSWERED ON 31ST MARCH, 2017/10TH CHAITRA SAKA, 1939

WATAL COMMITTEE AND NPCI

4976. SHRI TATHAGATA SATPATHY:

QUESTION
Will the Minister of FINANCE be pleased to state:
(a) the details of the legislation that forms the basis for establishing the Watal Committee and determining its scope;

(b) the details of aims and objectives of the formation of the National Payments Corporation of India(NPCI); and

(c) the details of the regulation of the NPCI?

Answer

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ARJUN RAM MEGHWAL)

(a) The Committee on Digital Payments was constituted by the Ministry of Finance, to review the payments system in the country and to recommend appropriate measures for encouraging digital payments.

(b) & (c) NPCI has been set up as an umbrella organization owned and operated
by the banks.

NPCI has been authorised by Reserve Bank of India under the PSS Act, 2007 to operate the following Payment Systems:

(i) National Financial Switch (NFS)
(ii) Immediate Payment System (IMPS)
(iii) Affiliation of RuPay Cards (debit cards/ prepaid cards) issued by banks and co-branded credit cards issued by non-banking financial companies (NBFCs) or any other entity approved by the RBI.
(iv) National Automatic Clearing House (ACH)
(v) Aadhaar Enabled Payments System (AEPS)
(vi) Operation of Cheque Truncation System

In terms of the various provisions of the Payment and Settlement Systems Act, 2007, RBI is empowered to regulate and oversee all payment systems. The authorised payment system operators including NPCI are required to follow the operational and technical standards laid out by RBI for the functioning of these systems, follow the directions issued and submit the information / returns prescribed. RBI also conducts supervision of NPCI (both off-site and on-site) and also empowered to revoke authorisation and impose penalties / initiate prosecution proceedings for violations of the Act, the Regulations, the directions issued by it and the terms and conditions of authorisation.

*****